



# Statement of the American Farm Bureau Federation

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**STATEMENT TO THE  
SUBCOMMITTEE ON TRADE  
OF THE  
COMMITTEE ON WAYS AND MEANS  
FOR THE HEARING ON  
U.S.-EU TRADE AND INVESTMENT PARTNERSHIP NEGOTIATIONS**

**May 16, 2013**

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The American Farm Bureau Federation, a U.S. general farm organization, supports efforts to increase agricultural trade flows and remove several major impediments to this flow that currently exist between the United States and the European Union (EU). The upcoming trade negotiation must deal with the many substantive issues that impede agricultural trade between the U.S. and the EU, including long-standing barriers against conventionally raised U.S. beef, ongoing restrictions against U.S. poultry and pork, and actions that limit U.S. exports of goods produced using biotechnology.

The U.S. and the EU are major international trading partners in agriculture. U.S. agriculture and food producers exported over \$8.8 billion to the EU in 2012, while the EU exported over \$16.6 billion worth of agriculture and food products to the U.S. in 2012. However, this trade could be considerably higher if barriers to trade were removed. Just ten years ago the EU was the third-largest destination for U.S. agricultural exports; today it has fallen to be our fifth-largest market. Over the last decade growth of U.S. agricultural exports to the EU has been the slowest among our top ten export destinations. If provided an improved opportunity to compete, the EU market provides many growth opportunities for the goods produced by U.S. farmers and ranchers.

Regulatory barriers have become a significant impediment to the growth of U.S. agricultural trade with the EU. Unless these issues are properly addressed within the Transatlantic Trade and Investment Partnership (TTIP) we can expect these barriers to continue to limit the potential of bilateral agricultural exchange between the U.S. and the EU. As a result, it is imperative to Farm Bureau that TTIP be a high-standard trade agreement that covers all significant barriers in a single comprehensive, agreement. Regulatory cooperation on removing these barriers and developing uniform standards recognized on both sides of the Atlantic must adhere to sound, recognized, scientific principles. Scientific standards can be the only basis for the resolution of existing issues.

Continuing barriers to the export of U.S. beef, pork and poultry, along with the slow approval process for biotech products, are major areas of interest in the negotiation. Both the U.S. and the EU adhere to the World Trade Organization's (WTO) Agreement on Sanitary and Phytosanitary (SPS) Measures, which states that measures taken to protect human, animal or plant life or health should be science-based and applied only to the extent necessary to protect life or health. The U.S. follows a risk-assessment approach for food safety while the EU is additionally guided by the "precautionary principle" which holds that where the possibility of a harmful effect exists, non-scientific risk management strategies may be adopted.

The EU has made the "precautionary principle" the focus of its approach to risk management in the SPS area. The use of the "precautionary principle" is inconsistent with the WTO SPS Agreement and is used as a basis for scientifically unjustified barriers to trade. The "SPS-Plus" chapter must result in a modern, science and risk-based approach, based on international

standards, that can truly resolve SPS disputes. SPS issues must be directly addressed as a part of the negotiations and these provisions must be enforceable.

The EU approach for approving the products of biotechnology combines a lengthy approval process with the ability of EU member states to ban approvals. Substantial declines in the exports of corn and soybeans to the EU have been the direct result of restrictive import policies. The EU system for regulating biotech products must be science-based and efficient in generating approvals for U.S. products.

The EU system of geographic indications (GIs) for foods and beverages designates production from a specific region as legally protected for original producers. The U.S. has opposed recognizing geographical names for foods that would inhibit the marketability and competitiveness of U.S. food products. The TTIP must not become an avenue to erect a new barrier to U.S. agricultural exports through the use of geographic indications.

With regards to tariff barriers, the negotiation proposal calls for working towards the elimination of tariffs. The average U.S. tariff for imported agricultural products is 5 percent, with 75 percent of tariff lines at zero to five percent tariff. For the EU, the average tariff on imported agricultural imports is 14 percent, with 42 percent of tariff lines at zero to five percent tariff. In order to expand market opportunities for U.S. agricultural products in the EU tariff reductions will be necessary.

We call for an ambitious agreement that addresses the real barriers to the growth of agricultural trade between the United States and the EU. As major agricultural trading partners the U.S. and the EU must work to improve the conditions of trade between themselves and remove long-standing trade barriers. Farm Bureau looks forward to working with this committee to achieve the goal of an agreement that expands trade with the EU for the benefit of America's farmers and ranchers.